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WESTERN DISTRICT OF WASHINGTON
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UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,
Plaintiff
v.
BRETT D. KENNEDY,
Defendant.

NO. **CR17-211 RSM**
INFORMATION

The United States Attorney charges that:

COUNT 1
Securities Fraud (Insider Trading)

In or about April 2015, at Seattle, in the Western District of Washington, and elsewhere, defendant BRETT D. KENNEDY, and others known and unknown, willfully, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and of the facilities of national securities exchanges, in connection with the purchase and sale of securities, did use and employ manipulative and deceptive devices and contrivances, in violation of Title 15, United States Code, Section 78j(b) and Title 17, Code of Federal Regulations, Section 240.10b-5, by purchasing and selling securities on the basis of material non-public information about those securities or their issuer, in breach of a duty of trust and confidence owed directly, indirectly, and derivatively to the

1 issuer of those securities, the shareholders of that issuer, and to any other person who is
2 the source of the material non-public information.

3 **I. Background**

4 1. Amazon.com, Inc. (“Amazon”), is a publicly-traded company
5 headquartered in Seattle, Washington, and is listed on the NASDAQ Stock Market, a
6 national exchange.

7 2. BRETT D. KENNEDY was employed by Amazon as a financial analyst in
8 Seattle from April 2013, until approximately June 2015, at which time he was transferred
9 to another Amazon office. At all times relevant to this Information, KENNEDY had
10 access to Amazon’s confidential financial information, including the financial
11 information that was used to prepare Amazon’s quarterly earnings reports and
12 announcements.

13 3. As part of his employment with Amazon, BRETT D. KENNEDY signed a
14 Confidentiality Agreement wherein he agreed not to disclose Amazon’s confidential
15 information outside the company, including “any information that would typically be
16 included in the Company’s financial statements.”

17 4. As part of his employment with Amazon, BRETT D. KENNEDY was
18 advised of, and acknowledged, the company’s Insider Trading guidelines, which clearly
19 prohibited passing material, non-public information about Amazon outside the company
20 without authorization. The policy expressly described “actual earnings and losses” as an
21 example of material information.

22 5. At all times relevant to this Information, M.R. was a friend of BRETT D.
23 KENNEDY. M.R. regularly conducted securities trades in M.R.’s brokerage accounts.

24 **II. Essence of the Scheme**

25 6. It was the essence of the scheme to defraud, that, in April 2015, BRETT
26 D. KENNEDY used his access to Amazon’s confidential financial information and
27 provided his friend M.R. with material, non-public information about Amazon’s finances,
28 so that M.R. could engage in a series of securities transactions in Amazon stock.

1 **III. Manner and Means of the Scheme**

2 7. It was part of the scheme to defraud that, on or about April 20, 2015,
3 BRETT D. KENNEDY wrongly used his access to Amazon confidential information to
4 view and write down certain material, non-public financial information related to
5 Amazon's first quarter earnings. KENNEDY knew that this information was non-public
6 and that it was going to be publicly announced when Amazon released its first quarter
7 financial information later that month.

8 8. It was further part of the scheme to defraud that, on or about April 20, 2015,
9 BRETT D. KENNEDY provided M.R. with the financial information, in breach of his duty
10 to maintain the confidentiality of Amazon's information. KENNEDY provided M.R. with
11 this information with the knowledge that M.R. would use this information in connection
12 with the purchase and sale of Amazon stock.

13 9. It was further part of the scheme to defraud that, on or about April 23, 2015,
14 after meeting with BRETT D. KENNEDY, and after reviewing the misappropriated,
15 material, non-public financial information, but before Amazon's first quarter earnings were
16 released, M.R. purchased 4400 shares of Amazon stock through his online brokerage
17 account.

18 10. It was further part of the scheme to defraud that, during the afternoon of
19 April 23, 2015, Amazon publicly released their first quarter earnings and Amazon's stock
20 price immediately increased. Immediately, M.R. sold all 4400 shares that he had
21 acquired before the earnings announcement. M.R.'s gain on these trades was
22 \$115,997.39.

23 11. It was further part of the scheme to defraud that M.R. paid BRETT D.
24 KENNEDY \$10,000 in cash, as payment for KENNEDY providing the inside
25 information.

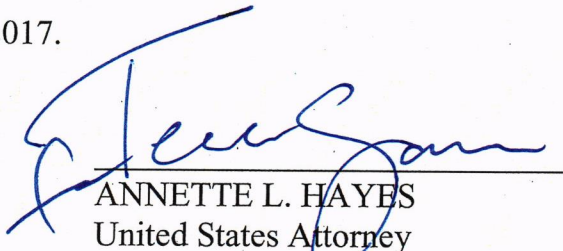
26 **IV. Execution of the Scheme**

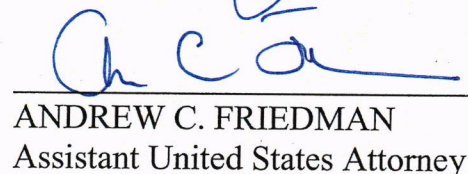
27 12. On or about April 23, 2015, at Seattle, within the Western District of
28 Washington, and elsewhere, BRETT D. KENNEDY, for the purpose of executing the

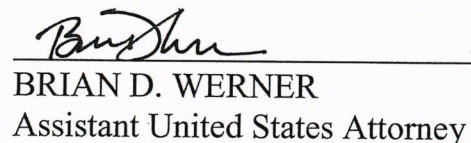
1 above-described scheme to defraud, in connection with the purchase and sale of
2 securities, knowingly and willfully used and caused the use of the facilities of interstate
3 commerce and the national securities exchanges, in the purchase of shares of Amazon
4 stock.

5 All in violation of Title 15, United States Code, Sections 78j(b) and 78ff; Title 17,
6 Code of Federal Regulations, Sections 240.10b-5, 240.10b5-1, and 240.10b5-2; and Title
7 18, United States Code, Section 2.

8 Dated this 6 day of September, 2017.

9
10 
11 ANNETTE L. HAYES
12 United States Attorney

13 
14 ANDREW C. FRIEDMAN
15 Assistant United States Attorney

16 
17 BRIAN D. WERNER
18 Assistant United States Attorney